

## Message Text

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ACTION AF-10

INFO OCT-01 ISO-00 MMO-01 AID-05 CIAE-00 COME-00 EB-08  
FRB-03 INR-10 NSAE-00 USIA-06 TRSE-00 XMB-02  
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15  
STR-07 CEA-01 L-03 H-01 PA-01 /090 W  
-----062622 180519Z /15

R 170825Z FEB 78  
FM AMEMBASSY KINSHASA  
TO SECSTATE WASHDC 8275

C O N F I D E N T I A L KINSHASA 1634

E.O. 11652: XGDS-1 DIMPTD  
TAGS: EFIN, EALR, ECRP, CG  
SUBJECT: ZAIRIAN BUDGET PERFORMANCE - 1977

REF: A) 77 KINSHASA 12033, B) KINSHASA 1054, C) CERP 0201

1. SUMMARY: INCLUDING A Z100.3 MILLION DEFICIT FOR THE MONTH OF DECEMBER ALONE, ZAIRE'S 1977 BUDGET DEFICIT REACHED Z309.6 MILLION, OR ROUGHLY TWICE THE AMOUNT FORESEEN BY THEIR 1977 BUDGET AND THE CURRENT IMF STANDBY. END SUMMARY.

2. ACCORDING TO FIGURES RECEIVED FROM AN UNOFFICIAL BUT HIGHLY RELIABLE SOURCE, GOZ TREASURY RECEIPTS REMAINED DEPRESSED IN DECEMBER, REACHING ONLY Z45.2 MILLION. ALTHOUGH ALSO DEPRESSED IN NOVEMBER, TREASURY RECEIPTS FOR ALL OF 1977 WERE BETTER THAN ANTICIPATED, REACHING Z698.8 MILLION FOR THE YEAR. THIS WAS PRIMARILY DUE TO IMPROVED TAX AND CUSTOMS COLLECTIONS IN THE FIRST 10 MONTHS. THE IMF HAD ESTIMATED ZAIRIAN TREASURY RECEIPTS FOR 1977 AT ONLY Z659 MILLION; THE GOZ HAD ESTIMATED Z674 MILLION.

3. DESPITE THIS POSITIVE PERFORMANCE, THE BUDGET DEFICIT GREW TO Z309.6 MILLION AT YEAR END DUE TO A DECEMBER SPENDING SPREE THAT PRODUCED A ONE-MONTH DEFICIT OF Z100.3 MILLION, OR HALF AGAIN THE PREVIOUS ELEVEN MONTHS' TOTAL. OF THE Z145.5 MILLION  
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SPENT IN DECEMBER, Z6.5 MILLION WAS IN FOREIGN EXCHANGE, BRINGING THE GOZ'S ANNUAL FX EXPENDITURES TO Z172 MILLION, INCLUDING DEBT SERVICE OF APPROXIMATELY Z60-70 MILLION. UNDER THE TERMS OF THE 1977 IMF STANDBY, GOZ FX EXPENDITURES ON OTHER THAN DEBT SERVICE WERE NOT TO EXCEED Z87 MILLION.

4. THE SIZE OF THE DECEMBER DEFICIT WOULD SEEM TO CONFIRM

THE REPORT (REF B) THAT MOBUTU ANTICIPATES THAT THE OFFICE OF  
THE PRESIDENT WILL COME UNDER CLOSER FINANCIAL CONTROLS IN 1978.  
THE OVERALL PERFORMANCE REFLECTS VERY ADVERSELY ON  
GOZ'S ABILITY AND WILL TO PRACTICE FISCAL RESTRAINT AND CONTROL  
ITS BUDGET DEFICIT.  
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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
**Concepts:** BUDGETS, ECONOMIC REPORTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 feb 1978  
**Decaption Date:** 20 Mar 2014  
**Decaption Note:** 25 YEAR REVIEW  
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**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
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